

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1324 - HB 1328

March 8, 2013

SUMMARY OF BILL: Requires all legal notices, relative to foreclosures, land sales, transactions involving real property or otherwise required by statute to be published in a newspaper of general circulation and also on the Secretary of State's website. Requires the Secretary of State to collect a publishing fee of \$50 to be retained by the Department of State. Authorizes the Secretary of State to charge an online transaction fee for processing payments for electronic filings. Effective upon becoming law for implementation purposes. Effective January 1, 2014, for all other purposes.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$650,000/FY13-14/Foreclosure Fund

\$1,000,000/FY14-15 and Subsequent Years/Foreclosure Fund

Increase State Expenditures –

\$79,000/FY13-14/General Fund

\$76,900/FY13-14/Foreclosure Fund

\$153,800/FY14-15 and Subsequent Years/Foreclosure Fund


Assumptions:

- The Secretary of State estimates approximately 13,000 filings in FY13-14 due to the January 1, 2014 effective date and approximately 20,000 in each subsequent year.
- An increase in state revenue of \$650,000 to the Department of State's Foreclosure Fund in FY13-14 (13,000 filings x \$50 fee).
- A recurring increase in state revenue of \$1,000,000 (20,000 filings x \$50 fee) to the Foreclosure Fund beginning in FY14-15.
- Any revenue generated from an online transaction fee will equal expenditures related to online transactions and the net impact will be not significant.
- One programmer and one additional staff person will be required to implement and manage the program. A total recurring increase in state expenditures of \$135,000 (\$106,930 salaries + \$28,070 benefits). One-time state expenditures of \$9,000 (computers/supplies).
- An additional one-time expenditure of \$70,000 for software purchasing and development.

- A recurring increase in state expenditures of \$8,000 for maintenance and operational expenditures.
- Approximately \$10,800 in additional recurring state expenditures for electronic records storage by the Office of Information Resources.
- The total increase in state expenditures from the General Fund in FY13-14 for implementation is estimated to be \$79,000 (\$70,000 + \$9,000).
- The total recurring increase in state expenditures from the Foreclosure Fund is estimated to be \$153,800 (\$135,000 + \$8,000 + \$10,800) beginning in FY14-15. State expenditures from the Foreclosure Fund in FY13-14 will be approximately 50 percent of estimated recurring expenditures, or \$76,900 (\$153,800 x 50%), due to the effective date of the bill, which is January 1, 2014.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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